



# MAKHADO FINAL ANNUAL BUDGET 2020/21- 2022/23

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*MTREF-2020-2023*

## Contents

PART 1 – ANNUAL BUDGET	2
1.1. Mayor’s Report.....	2
1.2. Recommendations (administrative management) .....	2
1.3. Executive summary and consultative process .....	2
1.3.1. Alignment with national, provincial and district priorities	3
1.3.2. Alignment with National and Provincial Government	3
1.3.3. Proposed tariff increments	3
1.3.4. Situational Analysis	3
1.4. Budget overview.....	4
1.5. Overview of the alignment of annual budget with integrated development plan: .....	5
1.6. Overview of budget related policies .....	6
1.7. Overview of budget funding.....	7
1.7.1. Income	7
1.7.2. Expenditure	0
1.8. Overview of budget assumptions .....	1
PART 2 – ANNUAL BUDGET TABLES	2
2.1. Capital budget.....	2
2.1.1. Funding source for the Capital Budget: 2	
2.2. CASH FLOW PROJECTION	3
2.3. Budget process and key stakeholder relations	5
2.4. Recommendations (administrative management)	7

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# PART 1 – ANNUAL BUDGET

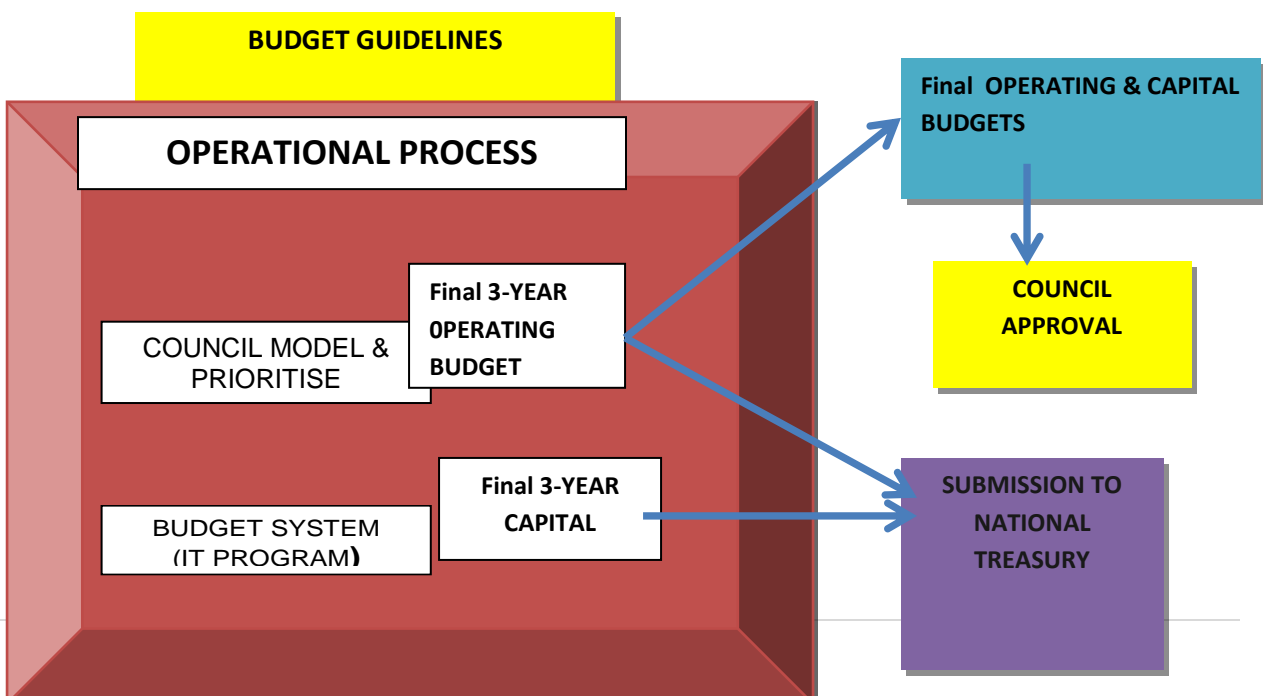
## 1.1. Mayor's Report

The mayor's report will be furnished after the Budget Speech.

## 1.2. Recommendations (administrative management)

1. THAT the Final Capital and Operational Estimates for the 2020/2021 financial year as more fully recorded in **Annexure A** attached to the report in this regard be adopted by council.
2. THAT the following 2020/2021 to 2022/2023 financial year's budget related policies be adopted by council as more fully set out in **Annexure B1 to B22** attached to the report in this regard-
3. Final 2020/2021 tariff listing for municipal service be adopted as set out in Annexure C
4. THAT it be noted that the Final 2020/2020 Estimates after adopted by the Council in terms of section 24 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury.

## 1.3. Executive summary and consultative process



### **1.3.1. Alignment with national, provincial and district priorities**

The National, provincial and district priorities will be gathered during consultative process and be integrated in the IDP of both Makhado Local Municipality and Vhembe District Municipality.

### **1.3.2. Alignment with National and Provincial Government**

Information sharing will take place between the municipality, provincial and national governments in order to ensure integration

### **1.3.3. Proposed tariff increments**

Proposed tariff increase on other services are as follows:

<b>SERVICE</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>
Electricity	6.22%	6.22%	6.22%
Property rates	4.60%	4.60%	4.80%
Other services	4.60%	4.60%	4.80%
Sundry tariffs	4.60%	4.60%	4.80%

### **1.3.4. Situational Analysis**

#### **1.3.4.1. Demography**

According to community survey 2016 conducted by Statistics South Africa the estimated total population of Makhado Local Municipality has decreased from 516 031 to 416 728 with about 225 059 registered voters.

Makhado Local Municipality comprises of 4 formal towns, which are: Makhado, Vleifontein, Waterval and Dzanani and lubvuvhu

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The main administrative office is situated in Makhado town with three supporting regional administrative offices, which are situated in the following areas: Dzanani, and Waterval and Iuvuvhu

Makhado Local Municipality has 38 ward councillors and 37 proportional councillors. There are 14 traditional leaders who are ex-officio members of the municipal council and 10 councillors who are members of the executive committee. The Municipality also has 38 established and fully functional ward committees.

Political Office Bearers and Municipal Manager	
Mayor	Cllr N MUNYAI
Speaker	Cllr Mogale LB
Chief Whip	Cllr MBOYI M D
Municipal Manager	Mr N F Tshivhengwa

#### **1.4. Budget overview**

The budget has been compiled on a three-year basis, which is a requirement of National Treasury, Standards of Generally Recognised Accounting Practices (GRAP) and MFMA. The budget process of compiling a three-year budget commenced in August 2019.

The Makhado Local Municipality was faced with various challenges during the compilation of the budget and reviewing of the IDP such as the formulation of measurable objectives for the different functions, the financial implications of the organisational structure, capital costs, input costs to deliver services and increasing maintenance costs.

According to National Treasury MFMA Circular No. 98 & 99 , (i.e. 90 days before the start of the budget year) and final budget to be adopted on or before the 30<sup>th</sup> of June 2020

- The projected overall spending envelope for the 2020/2021 MTREF amounts to R 965 598 million whereas, the operating revenue for the 2020/2021 MTREF amounts to R 971 007 million and R 247 179 million in the capital budget.
  - The 2020/2021 MTREF has been prepared within the context of reducing expenditure due to the municipality's weighty cash constraints and taking into consideration the implications of the increasing global costs thus to ensure that the financial sustainability of the council is sustained.
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- A strategic should also have a positive effect on increased collection rates and the continue implementing of revenue enhancement strategy.
- MFMA Circular No. 98 & 99 of the National Treasury and NERSA provides some guidelines as to how municipalities may respond to the economic crisis in their budget preparations.
- Given the constraints on the revenue side, the municipality will expedite spending on capital projects that are funded by conditional grants but maintaining fiscal sustainability, the commitment to deliver quality services. Maintaining all assets at a level adequate to protect the capital investment and minimize future maintenance future maintenance and replacement costs.
- The municipality targeted at achieving an unqualified audit report in 2019/2020 and 2020/21, reflecting the drive towards financial management excellence in the region and increasing spending on conditional grants.
- The IDP review was prepared in alignment with budget and performance management plan objectives of the municipality, resulting in the development and approval of the Service Delivery and Budget Implementation Plan (SDBIP).

#### **1.5. Overview of the alignment of annual budget with integrated development plan 2020-2023 and public consultation process:**

- A three (3) year capital budget has been prepared and built on the IDP document to be adopted by Council on or before 30 June 2020
- This budget compiled in line with the Municipal Budgeting and Reporting Regulation (MBRR) notice no. 31804 of 2009, which provides the comparative financial information over a systematic number of years.
- The extent of the indigent support granted by Council to indigent households within the Municipal area will be determined based on budgetary allocation for a particular financial year and the tariff charges.
- The key focal point of the municipality is ensuring that its budget complies with the following three criteria:
  - ✓ **Sustainability** - to ensure that the municipality has sufficient revenue and adequate corporate and financial stability to fund and deliver on its budget.
  - ✓ **Credibility** - to ensure that the municipality, with its ability and capacity to spend, deliver in terms of its budget.
  - ✓ **Governance** - that the Municipality has appropriate capacity and stability to ensure the long-term sustainability of service delivery.

**Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:**

- ✓ Economic Development
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- ✓ LED support and implementation
- ✓ Integrated Land Use Management System
- ✓ Implementation and monitoring of Performance Management System (PMS)
- ✓ Environmental Management
- ✓ Optimize tourism potential
- ✓ Rural Development
- ✓ Poverty alleviation, particularly in rural areas
- ✓ Service backlogs (water, sanitation, electricity, roads, storm water, solid waste, cleansing) needs to be addressed
- ✓ Upgrading, maintenance of roads and storm water, electricity, water, sewer and purification networks
- ✓ Improve access and linkages between towns, informal and rural settlements
- ✓ Public transportation should be improved. Bus and taxi ranks must be upgraded and the railway line should be better utilized. Improve solid waste management
- ✓ Broaden Revenue Base
- ✓ Implementation of the HIV/AIDS plan
- ✓ Crime prevention (Safety and Security)
- ✓ Construction of new and upgrading of existing educational facilities on all levels
- ✓ Development, however the lack of timely suitable engineering services have limited development at this point in time, however the municipality has embarked on the formulation of a development Strategic plan for accelerating infrastructure including development of a landfill site

### **Water supply**

Vhembe District Municipality is the water service authority for Makhado Local Municipality.

**To ensure sustainable governance practices within the Municipality, the following should be adhered to:**

- Corporate governance practices (legal compliance)
- Business leadership / management (planning, structuring, culture, performance management, stakeholder relations management, communication)
- Resource management (people management, financial management, ICT management, asset management)

## **1.6. Overview of budget related policies**

The municipality has various policies, which relate to budgeting and financial management in the municipality. These Financial policies comply with the MFMA and its promulgated regulations. The following budget related policies have been amended:

- Credit Control and Debt Collection Policy
  - Debt write-off Policy
  - Asset Management Policy
  - Rates Policy
  - Tariff Policy
-

- Travelling allowance
- Expenditure Management policy

## **1.7. Overview of budget funding and changes from tabled budget**

### **MAJOR CHANGES FROM TABLED BUDGET**

#### **A4 Financial performance report**

- Other expenditure has been increased by 46 million for RAL & Eskom related projects which were initially capitalised instead of being budgeted for under expenditure budget in the Tabled budget
- Contracted service has been increased by 4 million to cover the budget for residential sites planning and survey in Dzanani Township
- Capital projects not completed from municipality own funds amounting to R 35 million have been rolled over to the Budget year.
- Other income has been adjusted down by R 36 million agency fees taking into consideration the accrual accounting. This has been recognised in the cash flow statement.

The operating expenditure budget for 2020/2021 amounts to **R 965 598 million** as compared to the previous revised budget of R 909 480 million in the 2019/2020 financial year.

#### **1.7.1. Income**

The operating income for 2020/2021 is budgeted at **R 971 499 million** which leaves a marginal operating surplus of **R 59 915 million** which after deduction of non-cash items such as depreciation and impairment of assets amounting to R 120 089 million and R 41 135 million for debt impairment.

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**LIM344 Makhado - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	<b>1</b>										
<b><u>Revenue By Source</u></b>											
Property rates	2	53,609	53,704	66,128	61,384	70,438	70,438	70,438	83,070	86,891	91,062
Service charges - electricity revenue	2	273,348	285,494	333,647	373,218	342,879	342,879	342,879	364,210	386,863	410,926
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	8,436	8,849	10,973	9,438	10,714	10,714	11,100	11,611	12,145	12,728
Rental of facilities and equipment		368	769	835	346	253	253	253	360	378	395
Interest earned - external investments		9,729	9,339	6,061	54	6,401	6,401	6,401	6,695	7,003	7,340
Interest earned - outstanding debtors		12,089	15,960	19,777	20,345	20,674	20,674	20,674	22,690	24,902	27,329
Dividends received		–							–	–	–
Fines, penalties and forfeits		6,659	5,819	7,742	1,848	2,672	2,672	2,672	2,795	2,924	3,064
Licences and permits		17,144	8,541	7,425	13,922	7,189	7,189	7,189	7,520	7,866	8,243
Agency services		–							–		
Transfers and subsidies		426,915	443,008	426,916	361,091	412,192	412,192	412,192	439,298	470,991	467,842
Other revenue	2	47,257	36,484	26,019	109,883	31,788	31,788	31,788	33,250	34,250	36,449
Gains											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>855,554</b>	<b>867,969</b>	<b>905,523</b>	<b>951,529</b>	<b>905,200</b>	<b>905,200</b>	<b>905,586</b>	<b>971,499</b>	<b>1,034,214</b>	<b>1,065,379</b>
<b><u>Expenditure By Type</u></b>	<b>-</b>										
Employee related costs	2	230,313	249,835	255,157	284,371	262,015	262,015	262,015	287,567	306,258	326,166

Remuneration of councillors		23,076	25,306	26,316	28,554	28,554	28,554	28,554	30,410	32,386	34,491
Debt impairment	3	73,353	132,237	46,868	45,000	48,886	48,886	48,886	41,135	43,487	46,054
Depreciation & asset impairment	2	83,996	124,471	131,600	100,000	131,060	131,060	131,060	120,089	133,395	145,278
Finance charges			12,159	10,692	6,752	7,811	7,811	7,811	8,170	8,546	8,956
Bulk purchases	2	198,262	212,654	235,313	242,406	252,406	252,406	252,406	269,822	286,605	300,362
Other materials	8	12,724			38,935	28,029	28,029	28,029	29,319	30,668	32,140
Contracted services		194,789	189,091	138,187	68,183	64,862	64,862	64,862	85,115	87,846	88,919
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	110,494	94,211	74,345	144,773	85,857	85,857	85,857	93,971	95,861	68,653
<b>Losses</b>											
<b>Total Expenditure</b>		<b>927,008</b>	<b>1,039,964</b>	<b>918,478</b>	<b>958,974</b>	<b>909,480</b>	<b>909,480</b>	<b>909,480</b>	<b>965,598</b>	<b>1,025,052</b>	<b>1,051,020</b>
<b>Surplus/(Deficit)</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>(7,445)</b>	<b>(4,280)</b>	<b>(4,280)</b>	<b>(3,894)</b>	<b>5,901</b>	<b>9,161</b>	<b>14,359</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)					109,577	58,624	58,624	58,624	54,014	57,538	92,500
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6										
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>102,132</b>	<b>54,344</b>	<b>54,344</b>	<b>54,730</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>102,132</b>	<b>54,344</b>	<b>54,344</b>	<b>54,730</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>102,132</b>	<b>54,344</b>	<b>54,344</b>	<b>54,730</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>102,132</b>	<b>54,344</b>	<b>54,344</b>	<b>54,730</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>

LIM344 Makhado - Table A7 Budgeted Cash Flows

[illegible]

		(192,403)	(119,684)	(162,033)	(203,378)	(179,015)	(179,015)	(118,557)	(247,179)	(208,782)	(270,899)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(192,403)</b>	<b>(119,684)</b>	<b>(162,033)</b>	<b>(203,378)</b>	<b>(175,515)</b>	<b>(175,515)</b>	<b>(115,057)</b>	<b>(243,179)</b>	<b>(203,782)</b>	<b>(264,899)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		(1,540)	(1,677)						–	–	–
Borrowing long term/refinancing		(3,744)	(4,866)	(4,076)					–	–	–
Increase (decrease) in consumer deposits									–	–	–
<b>Payments</b>											
Repayment of borrowing									–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(5,285)</b>	<b>(6,543)</b>	<b>(4,076)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(143,981)</b>	<b>(84,302)</b>	<b>72,808</b>	<b>3,022</b>	<b>10,205</b>	<b>23,205</b>	<b>46,513</b>	<b>17,887</b>	<b>39,796</b>	<b>27,147</b>
Cash/cash equivalents at the year begin:	2	247,311	103,329	19,027	91,835	91,835	91,835	91,835	138,348	156,235	196,031
Cash/cash equivalents at the year end:	2	103,330	19,027	91,835	94,857	102,040	115,040	138,348	156,235	196,031	223,178



## 1.7.2. Expenditure

The projected electricity increases in tariffs will be capped currently at 6.22% increase.

Funding of the budget is mainly from the Equitable share allocation, MIG operating subsidy grant and partial own income.

The municipality is currently reviewing the budget related processes to support the implementation of the Service Delivery and Budget Implementation Plan.

Salaries increased from **R 262 015 million** for the 2019/2020 financial year's revised budget to an amount of **R 287 567 million** for the 2020/2021 financial year (excluding councilors). For councilors the budgeted expenditure increased from **R 28 554 to R 30 410 million**, which is due to the fact that some critical vacancies will be filled in order to sustain service delivery and sustainable financial reporting. The total salary package of the Council amounts to 3.00 % of the Total Operating expenditure

<b>R thousands</b>	<b>Adjusted Budget 2019/2020</b>	<b>Budget Year 2020/2021</b>	<b>Variance in cost increase /decrease</b>
Employee costs	R 262 015	R 287 567	R 25 552
Remuneration of councilors	R 28 554	R 30 410	R 1 856
Depreciation & asset impairment	R 179 946	R 161 224	(R 18 722)
Finance charges	R 7 811	R 8 170	R 359
Materials and bulk purchases	R 252 406	R 269 822	R 17 416
Other expenditure (Contracted services and other materials)	R 178 748	R 208 405	R 29 657
<b>Total Expenditure</b>	<b>R 909 480</b>	<b>R 965 598</b>	<b>R 56 118</b>

Proposed tariff increase on other services are as follows:

<b>SERVICES</b>	<b>2020/21</b>	<b>2021/2022</b>	<b>2022/2023</b>
Electricity	6.22%	6.22%	6.22%
Property rates	4,60%	4 ,60%	4,80%
Other services	4,60%	4,60%	4,80%
Sundry tariffs	4,46%	4,46%	4,80%

## 1.8. Overview of budget assumptions

### Introduction

This section of the budget report provide comprehensive summary of all the assumption used in the budget proposal. Budgets are prepared in an environment of uncertainty and assumptions need to be made about both internal and external factors that could affect the budget during the course of the financial year.

National Treasury MFMA Circular 98 & 99 estimate inflation rate of 4.60% in 2020/2021 respectively. Inflation rate is expected to come within the targeted range of 4.60 % in 2021 - 2023

### Price increases on various items on the budget were assumed as follows:

- **Price movements on bulk purchases:** Based on the application response awaiting from NERSA for the proposed electricity tariff increase of 6.90% also in line with the National Treasury guidance
  - **Employee costs:** Was increased by 6.25%, which is also guided by National Treasury MFMA Circular 99 general employee costs increased.
  - **Overtime and leave payment:** It was assumed that leave would be paid only on termination due to resignation or death. It was assumed that the municipality will not purchase any leave in cash during the year.
  - **Depreciation & debt impairment Expenses:** Depreciation expense reduced provisionally however during adjustment after the assessment has being done it will be increased to avoid unauthorized expenditure.
  - **Collection rate:** collection rate of 90% was assumed during 2020/21 budget period. This was based on the current collection rate..
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## PART 2 – ANNUAL BUDGET TABLES

### 2.1. Capital budget

The capital required for 2020/2021 amounts to **R 249 179 million** of which **R 193 165 million** should be funded out of internally generated income.

Many of the capital projects required by the departments were reduced due to a lack of funds and the increasing maintenance costs and fund availability in the light of the municipality's financial constraints.

**The composition of the Capital Budget is made up as follows:**

FUNDING SOURCE	2020/2021 R'000	2021/2022 R'000	2022/2023 R'000
INCOME	R 193 165	R 151 244	R 178 399
MIG	R 42 673	R 42 538	R 77 500
INEP	R 11 340	R 15 000	R 15 000
TOTAL	<b>R 247 179</b>	<b>R 208 782</b>	<b>R 270 899</b>

The growth in the expenditure budget is mainly attributed to:

- Increased spending to address maintenance backlogs in infrastructure
- Increased spending on employee related costs
- Increased spending attributable to bulk purchasing costs for electricity
- On-going issues requiring monitoring and evaluation, consequently, they should carefully be monitored and evaluated:
- Maintenance backlogs in respect of Council's assets – adequacy of budgetary provisions
- Maintenance of current collection rates
- Effectiveness of debt collection

#### 2.1.1. Funding source for the Capital Budget:

Confirmed to date Capital Budget is funded largely from government grants, mainly from MIG and INEP, which amounts to R 42 673 million, and **R 11 340 million** respectively in 2020/21. The own funded projects is proposed to be funded from own funding to the value of **R 193 165 million**.

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**2.1.2 The following is the summary of grants allocations as per provisional DORA gazette**

<b>MUNICIPAL GRANTS FOR 2020/2021</b>			
<b>Description</b>	<b>Grants in 2020/2021 R '000</b>	<b>Grants in 2021/22 R '000</b>	<b>Grants in 2022/23 R '000</b>
<b>EQUITABLE SHARE</b>	R 385 034	R 414 791	R 440 745
<b>MIG</b>	R 88 968	R 96 538	R 102 597
<b>FMG</b>	R 1 700	R 1 900	R 2 000
<b>EPWP</b>	R 2 270		
<b>INEP</b>	R 15 340	R 15 000	R 15 000
<b>TOTAL</b>	<b>R 493 312</b>	<b>R 528 529</b>	<b>R 560 342</b>

**2.2. CASH FLOW PROJECTION**

- Makhado Local Municipality projected to start the financial year with positive balance cash / cash equivalents and project an average collection rate for the coming financial year of 84-92%. Based on these assumptions the projected income for the year will exceed the projected expenditure.
- It is therefore important that the impact of increased expenditures for each service delivery area be carefully considered within the next budget cycle to ensure that each service remains financially sustainable over the medium term with the least impact on the communities.
- The average collection rate for main tariffs for the current financial year to date is 89%

**LIM344 Makhado - Table A7  
Budgeted Cash Flows**

Description	R e f	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcom e	Audited Outcom e	Audited Outcom e	Original Budget	Adjuste d Budget	Full Year Forecas t	Pre- audit outcom e	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		60,272	43,021	49,376	51,943	53,846	53,846	53,846	56,322	58,913	61,740
Service charges		261,706	233,253	334,168	356,920	312,247	312,247	327,247	342,262	363,378	385,823
Other revenue		98,534	57,501	52,598	51,861	57,150	70,150	25,000	92,094	97,586	100,318
Transfers and Subsidies - Operational	1	307,005	311,919	322,812	412,043	412,043	412,043	412,043	439,298	470,991	467,842
Transfers and Subsidies - Capital	1	81,257	131,179	104,677	58,625	58,625	58,625	58,625	54,014	57,538	92,500

Interest		5,379	6,470	12,415	13,483	13,483	13,483	13,483	29,385	31,905	34,669
Dividends									–	–	–
<b>Payments</b>											
Suppliers and employees		(747,723)	(740,813)	(637,062)	(731,723)	(721,574)	(721,574)	(728,574)	(752,205)	(836,625)	(850,731)
Finance charges		(12,724)	(606)	(67)	(6,752)	(100)	(100)	(100)	(105)	(109)	(114)
Transfers and Grants	1								–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>53,706</b>	<b>41,925</b>	<b>238,917</b>	<b>206,400</b>	<b>185,720</b>	<b>198,720</b>	<b>161,570</b>	<b>261,066</b>	<b>243,578</b>	<b>292,046</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE						3,500	3,500	3,500	4,000	5,000	6,000
Decrease (increase) in non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
<b>Payments</b>											
Capital assets		(192,403)	(119,684)	(162,033)	(203,378)	(179,015)	(179,015)	(118,557)	(247,179)	(208,782)	(270,899)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(192,403)</b>	<b>(119,684)</b>	<b>(162,033)</b>	<b>(203,378)</b>	<b>(175,515)</b>	<b>(175,515)</b>	<b>(115,057)</b>	<b>(243,179)</b>	<b>(203,782)</b>	<b>(264,899)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		(1,540)	(1,677)						–	–	–
Borrowing long term/refinancing		(3,744)	(4,866)	(4,076)					–	–	–
Increase (decrease) in consumer deposits									–	–	–
<b>Payments</b>											
Repayment of borrowing									–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(5,285)</b>	<b>(6,543)</b>	<b>(4,076)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(143,981)</b>	<b>(84,302)</b>	<b>72,808</b>	<b>3,022</b>	<b>10,205</b>	<b>23,205</b>	<b>46,513</b>	<b>17,887</b>	<b>39,796</b>	<b>27,147</b>
Cash/cash equivalents at the year begin:	2	247,311	103,329	19,027	91,835	91,835	91,835	91,835	138,348	156,235	196,031
Cash/cash equivalents at the year end:	2	103,330	19,027	91,835	94,857	102,040	115,040	138,348	156,235	196,031	223,178

### 2.3. Budget process and key stakeholder relations

<b>August</b>	<ul style="list-style-type: none"> <li>The Mayor tables at Council for approval the IDP and Budget Process Plan in terms of Section 21 of the Municipal Systems Act and Section 34 of the Municipal Finance Management Act.</li> <li>Distribution of the Council approved IDP and Budget Process Plan to all relevant stakeholders.</li> <li>Strategic Planning Session to review the current strategic plan of the Municipality, review of past service delivery performance and determine future multiyear political priorities, KPAs, KPIs and Programmes.</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>The Budget Office prepares an initial Medium Term Financial Forecast (MTFF) and indicates the likely level of resources to be available.</li> <li>Public Consultation Process with the community, and other key stakeholders on service delivery performance for the prior year and current year-to-date. Share information on the political priorities and Programmes planned for the year/s ahead. Confirmation of ward based priority needs for the year/s ahead.</li> </ul>
<b>October</b>	
<b>November</b>	<ul style="list-style-type: none"> <li>Compile report on the needs for the year/s ahead obtained from the community and other key stakeholders. Prioritization process of community needs and projects</li> <li>Second Strategic IDP/Budget Workshops for Mayoral Committee members and Senior Management Team: outcomes <ul style="list-style-type: none"> <li>✓ IDP proposals and Budget alignment</li> <li>✓ Agreement of any changes the Mayor should propose to the IDP for 2019/20.</li> </ul> </li> <li>Finalize the review of the Municipal Situational Analysis Chapter (Chapter 2) of the IDP.</li> <li>Senior Management start reviewing the stage one IDP/Budget/SDBIP process input forms (IDP changes, capital project proposals, and operational budget growth requests).</li> </ul>
<b>December-January</b>	
<b>January</b>	<p>The Mayor tables at Council:</p> <ul style="list-style-type: none"> <li>the 2019/20 mid-year performance and budget assessment reports</li> <li>Review of the draft mid-year performance and budget monitoring reports.</li> <li>The 2018/19 Annual Report</li> </ul>

<p><b>February</b></p>	<ul style="list-style-type: none"> <li>• Agreement of the 2019/20 Adjustments Budget Report to be tabled at Council</li> <li>• Executive Management Team meets to: <ul style="list-style-type: none"> <li>✓ prepare for Strategic IDP/Budget/SDBIP Workshop</li> <li>✓ discuss the draft 2020/2021 IDP inputs</li> <li>✓ discuss the 2020/2021 budget proposals</li> </ul> </li> </ul> <p>Third Strategic IDP/Budget Workshop for Mayoral Committee members and Senior Management Team: outcomes</p> <ul style="list-style-type: none"> <li>• Agreement of the proposed changes to be made to the IDP to be included in the March Council Report.</li> <li>• Agreement of the 2018/19 budget proposals to be included in the March Council Budget Report.</li> </ul> <p>The IDP, Budget Report, and draft SDBIP tabled at all relevant Portfolio Committees and Mayoral Committee prior to tabling at Council.</p> <p>The Executive Mayor tables the Municipality's Draft 2020/21 Budget Report and IDP at Council.</p>
<p><b>April and May</b></p>	<p>Statutory public participation process undertaken on the tabled Draft IDP and Budget for 2020/21. Council obtains the views of the local community, National Treasury, Provincial Treasury, other district, provincial and national organs of state and municipalities.</p> <p>Finalization of 201/2020 budget and IDP</p> <p>The IDP, Budget Report, and draft SDBIP tabled at all relevant Portfolio Committees and Mayoral Committee prior to tabling at Council.</p> <p>The Executive Mayor tables the Municipality's 2020/21 Budget Report, IDP, and draft SDBIP at Council for final approval on 31 May 2020</p>
<p><b>June</b></p>	<p>The IDP and Budget Reports are placed on the municipality's website and sent to National and Provincial Treasury.</p> <p>The Executive Mayor must review and approve the 2020/2021 SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with section 57(2) of the Municipal Systems Act. The Executive Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The Executive Mayor submits the approved 2020/2021 SDBIP and performance agreements to Council, MEC for local government, and makes it public within 14 days after approval.</p>

Special Council Meeting; Executive Mayor tables budget (pre-community consultation) to Council:

- Draft Budget Made available on the municipality's website, municipal offices and notice placed in all major newspapers informing members of the public about the draft budget and inviting written submissions/representations.
- Budget discussions Ward committees/Stakeholders.
- Community consultation to present and discuss the draft budget proposals
- and receive inputs/ submissions/comment
- Closing of Public and internal Submissions to close on end of Mid - April 2020.
- Special Council Meeting Mayor delivers budget speech and submits final budget to Council for consideration and approval.

#### **Process to record and integrate inputs from the community**

- After consideration of all budget submissions, the Executive Mayor will be given the opportunity to respond, if necessary revise the budget and table amendments for consideration.
- To ensure that all community inputs are recorded and integrated, throughout the consultation period, a system were initiated to ensure that:
- All written submissions were required to be directed to the main municipal offices for further reprocessing department, who would maintain a record of lodgments and direct submissions to the appropriate department for comment and recommendation.
- All verbal questions at community consultation meetings would be recorded, together with the answer provided at the meeting or referred an appropriate representative to the appropriate department for comment and recommendation.
- Where possible, the submissions and presentations received during the community consultation process and additional information regarding revenue and expenditure will be addressed before tabling of the final budget.

#### **2.4. Recommendations (administrative management)**

2.4.1. THAT the Final Capital and Operational Estimates for the 2020/2021 financial year as more fully recorded in **Annexure A** attached to the report in this regard be adopted by council and that the Accounting Officer proceeds with the publication of the final Annual Budget as purposed in section 22 of the Local Government: Municipal Finance Management Act, No 56 of 2003, and the Regulations promulgated in terms thereof.

2.4.2. THAT the following 2020/2021 budget related policies be adopted by to council as more fully set out in **Annexures 1 to Annexure 22** attached to the report in this regard:

##### **Policies**

- 2.4.1. Virement Policy
  - 2.4.2. Credit Control and Debt Collection Policy
  - 2.4.3. Tariff policy free basic services/indigent policy
  - 2.4.4. Borrowing policy
  - 2.4.5. Expenditure Management Policy
-

- 2.4.6. Funding and Reserves Policy
- 2.4.7. Budget Policy
- 2.4.8. Framework for cash flow management
- 2.4.9. Asset management policy
- 2.4.10. Subsidy for indigent household policy
- 2.4.11. Uniform Credit Control Policy
- 2.4.12. Debt written off policy
- 2.4.13. Supply Chain Management Policy
- 2.4.14. Revenue Management Policy
- 2.4.15. Travel and Subsistence Policy
- 2.4.16. Acquisition and use of Cellular phones Policy
- 2.4.17. Petty cash policy
- 2.4.18. Car allowance policy
- 2.4.19. Tariff Policy
- 2.4.20. Customer Care Policy
- 2.4.21. Contract Management policy
- 2.4.22. Cost Containment Policy

2.4.3. THAT note be taken of any amendments to the contents of the budget related policies.

2.4.4. THAT it be noted that the 2020/2021 Estimates will after adopted by the Council in terms of section 22 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury.

2.4.5. Final 2020/2021 tariff listing for municipal service be adopted by council as attached in **Annexure C**

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### PART 3 – ANNUAL BUDGET TABLES

C1	CAPEX detailed breakdown of projects listing Annexure	
A1	Budget Summary	
A7	Budgeted Cash Flows	
A2	Budgeted Financial Performance (revenue and expenditure)	
A3	Budgeted Financial Performance (revenue and expenditure)	
A5	CAPEX	
A6	Budgeted Financial Position	
SA10	LIM344 Makhado Supporting Table SA10 Funding measurement	

**LIM344 Makhado - Table A1 Budget Summary**

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousands</b>										
<b><u>Financial Performance</u></b>										
Property rates	53,609	53,704	66,128	61,384	70,438	70,438	70,438	83,070	86,891	91,062
Service charges	281,784	294,343	344,620	382,656	353,593	353,593	353,979	375,821	399,009	423,655
Investment revenue	9,729	9,339	6,061	54	6,401	6,401	6,401	6,695	7,003	7,340
Transfers recognised - operational	426,915	443,008	426,916	361,091	412,192	412,192	412,192	439,298	470,991	467,842
Other own revenue	83,517	67,575	61,798	146,344	62,576	62,576	62,576	66,615	70,320	75,480
<b>Total Revenue (excluding capital transfers and contributions)</b>	855,554	867,969	905,523	951,529	905,200	905,200	905,586	971,499	1,034,214	1,065,379
Employee costs	230,313	249,835	255,157	284,371	262,015	262,015	262,015	287,567	306,258	326,166
Remuneration of councillors	23,076	25,306	26,316	28,554	28,554	28,554	28,554	30,410	32,386	34,491
Depreciation & asset impairment	83,996	124,471	131,600	100,000	131,060	131,060	131,060	120,089	133,395	145,278
Finance charges	–	12,159	10,692	6,752	7,811	7,811	7,811	8,170	8,546	8,956
Materials and bulk purchases	210,986	212,654	235,313	281,341	280,435	280,435	280,435	299,141	317,273	332,502
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	378,636	415,539	259,400	257,956	199,605	199,605	199,605	220,221	227,194	203,626
<b>Total Expenditure</b>	927,008	1,039,964	918,478	958,974	909,480	909,480	909,480	965,598	1,025,052	1,051,020
<b>Surplus/(Deficit)</b>	(71,453)	(171,995)	(12,955)	(7,445)	(4,280)	(4,280)	(3,894)	5,901	9,161	14,359
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	109,577	58,624	58,624	58,624	54,014	57,538	92,500



Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(71,453)	(171,995)	(12,955)	102,132	54,344	54,344	54,730	59,915	66,699	106,859
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	(71,453)	(171,995)	(12,955)	102,132	54,344	54,344	54,730	59,915	66,699	106,859
<b><u>Capital expenditure &amp; funds sources</u></b>										
<b>Capital expenditure</b>	<b>122,678</b>	143,760	163,488	203,378	179,015	179,015	179,015	247,179	208,782	270,899
Transfers recognised - capital	<b>85,965</b>	96,570	104,645	68,625	58,625	58,625	58,625	54,014	57,538	92,500
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	<b>36,713</b>	47,190	58,843	134,753	120,390	120,390	120,390	193,165	151,244	178,399
<b>Total sources of capital funds</b>	<b>122,678</b>	143,760	163,488	203,378	179,015	179,015	179,015	247,179	208,782	270,899
<b><u>Financial position</u></b>										
Total current assets	<b>316,517</b>	213,075	291,665	439,985	363,149	363,149	363,149	434,318	459,272	492,190
Total non current assets	<b>1,686,082</b>	1,661,115	1,600,006	2,419,769	1,589,942	1,589,942	1,589,942	2,533,739	2,196,332	2,532,270
Total current liabilities	<b>185,675</b>	60,891	69,089	20,000	73,090	73,909	73,909	173,564	136,462	130,341
Total non current liabilities	<b>118,594</b>	108,481	106,456	64	106,273	106,273	106,273	121,789	118,282	121,789
Community wealth/Equity	<b>1,698,330</b>	1,704,817	1,716,126	2,839,690	1,773,728	1,772,909	1,772,909	2,672,704	2,400,860	2,772,330
<b><u>Cash flows</u></b>										
Net cash from (used) operating	<b>53,706</b>	41,925	238,917	206,400	185,720	198,720	161,570	261,066	243,578	292,046
Net cash from (used) investing	<b>(192,403)</b>	(119,684)	(162,033)	(203,378)	(175,515)	(175,515)	(115,057)	(243,179)	(203,782)	(264,899)
Net cash from (used) financing	<b>(5,285)</b>	(6,543)	(4,076)	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>103,330</b>	19,027	91,835	94,857	102,040	115,040	138,348	156,235	196,031	223,178



**LIM344 Makhado - Table A7 Budgeted Cash Flows**

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		60,272	43,021	49,376	51,943	53,846	53,846	53,846	56,322	58,913	61,740
Service charges		261,706	233,253	334,168	356,920	312,247	312,247	327,247	342,262	363,378	385,823
Other revenue		98,534	57,501	52,598	51,861	57,150	70,150	25,000	92,094	97,586	100,318
Transfers and Subsidies - Operational	1	307,005	311,919	322,812	412,043	412,043	412,043	412,043	439,298	470,991	467,842
Transfers and Subsidies - Capital	1	81,257	131,179	104,677	58,625	58,625	58,625	58,625	54,014	57,538	92,500
Interest		5,379	6,470	12,415	13,483	13,483	13,483	13,483	29,385	31,905	34,669
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(747,723)	(740,813)	(637,062)	(731,723)	(721,574)	(721,574)	(728,574)	(752,205)	(836,625)	(850,731)
Finance charges		(12,724)	(606)	(67)	(6,752)	(100)	(100)	(100)	(105)	(109)	(114)
Transfers and Grants	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>53,706</b>	<b>41,925</b>	<b>238,917</b>	<b>206,400</b>	<b>185,720</b>	<b>198,720</b>	<b>161,570</b>	<b>261,066</b>	<b>243,578</b>	<b>292,046</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE						3,500	3,500	3,500	4,000	5,000	6,000
Decrease (increase) in non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(192,403)	(119,684)	(162,033)	(203,378)	(179,015)	(179,015)	(118,557)	(247,179)	(208,782)	(270,899)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(192,403)</b>	<b>(119,684)</b>	<b>(162,033)</b>	<b>(203,378)</b>	<b>(175,515)</b>	<b>(175,515)</b>	<b>(115,057)</b>	<b>(243,179)</b>	<b>(203,782)</b>	<b>(264,899)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		(1,540)	(1,677)						-	-	-

Borrowing long term/refinancing		(3,744)	(4,866)	(4,076)					–	–	–
Increase (decrease) in consumer deposits									–	–	–
<b>Payments</b>											
Repayment of borrowing									–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(5,285)</b>	<b>(6,543)</b>	<b>(4,076)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(143,981)</b>	<b>(84,302)</b>	<b>72,808</b>	<b>3,022</b>	<b>10,205</b>	<b>23,205</b>	<b>46,513</b>	<b>17,887</b>	<b>39,796</b>	<b>27,147</b>
Cash/cash equivalents at the year begin:	2	247,311	103,329	19,027	91,835	91,835	91,835	91,835	138,348	156,235	196,031
Cash/cash equivalents at the year end:	2	103,330	19,027	91,835	94,857	102,040	115,040	138,348	156,235	196,031	223,178

**LIM344 Makhado - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description  R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b><u>Revenue - Functional</u></b>										
<b><i>Governance and administration</i></b>		<b>516,300</b>	<b>395,137</b>	<b>404,966</b>	<b>503,495</b>	<b>411,374</b>	<b>411,374</b>	<b>506,133</b>	<b>542,752</b>	<b>576,089</b>
Executive and council		456,375	340,626	328,066	411,388	321,473	321,473	385,034	414,791	440,745
Finance and administration		59,925	54,511	76,900	92,107	89,901	89,901	121,099	127,961	135,344
Internal audit		-	-	-	-	-	-	-	-	-
<b><i>Community and public safety</i></b>		<b>7,964</b>	<b>-</b>	<b>6,710</b>	<b>(204)</b>	<b>(204)</b>	<b>(204)</b>	<b>282</b>	<b>295</b>	<b>309</b>
Community and social services		7,964	-	6,710	104	104	104	282	295	309
Sport and recreation		-	-	-	25	25	25	-	-	-
Public safety		-	-	-	28	28	28	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	(361)	(361)	(361)	-	-	-
<b><i>Economic and environmental services</i></b>		<b>2,187</b>	<b>4,103</b>	<b>72,493</b>	<b>105,695</b>	<b>112,456</b>	<b>112,456</b>	<b>125,665</b>	<b>134,694</b>	<b>142,824</b>
Planning and development		852	159	209	277	277	277	5,985	6,261	6,561
Road transport		1,335	3,944	72,284	105,418	112,179	112,179	119,680	128,433	136,263
Environmental protection		-	-	-	-	-	-	-	-	-
<b><i>Trading services</i></b>		<b>334,859</b>	<b>475,604</b>	<b>428,956</b>	<b>461,486</b>	<b>449,415</b>	<b>449,415</b>	<b>393,433</b>	<b>414,011</b>	<b>438,657</b>
Energy sources		246,284	300,815	342,487	364,480	336,807	336,807	379,550	401,863	425,926
Water management		(1)	5,898	6,780	5	5	5	-	-	-
Waste water management		6,724	-	-	8,492	5,534	5,534	-	-	-
Waste management		81,852	168,891	79,689	88,508	107,068	107,068	13,883	12,148	12,731
<b><i>Other</i></b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>861,310</b>	<b>874,844</b>	<b>913,124</b>	<b>1,070,471</b>	<b>973,040</b>	<b>973,040</b>	<b>1,025,513</b>	<b>1,091,751</b>	<b>1,157,879</b>
<b><u>Expenditure - Functional</u></b>	<b>-</b>									
<b><i>Governance and administration</i></b>		<b>520,567</b>	<b>615,609</b>	<b>254,815</b>	<b>290,429</b>	<b>271,372</b>	<b>271,372</b>	<b>453,723</b>	<b>491,117</b>	<b>524,670</b>
Executive and council		272,685	382,306	-	-	-	-	88,012	92,691	97,734

Finance and administration		247,882	233,303	254,815	290,429	271,372	271,372	365,711	398,426	426,936
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>30,249</b>	<b>14,662</b>	<b>24,962</b>	<b>26,777</b>	<b>7,216</b>	<b>7,216</b>	<b>11,144</b>	<b>11,825</b>	<b>12,552</b>
Community and social services		17,139	355	4,598	3,504	3,029	3,029	11,144	11,825	12,552
Sport and recreation		10,910	11,909	16,786	19,536	1,562	1,562	-	-	-
Public safety		2,200	2,398	3,578	3,736	2,625	2,625	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>109,342</b>	<b>35,151</b>	<b>82,126</b>	<b>96,687</b>	<b>101,908</b>	<b>101,908</b>	<b>145,807</b>	<b>151,925</b>	<b>124,865</b>
Planning and development		2,142	2,610	29,076	34,273	26,912	26,912	38,838	34,015	32,397
Road transport		106,779	31,154	53,050	62,414	74,996	74,996	106,969	117,910	92,468
Environmental protection		421	1,387	-	-	-	-	-	-	-
<b>Trading services</b>		<b>266,850</b>	<b>374,543</b>	<b>551,997</b>	<b>541,084</b>	<b>524,838</b>	<b>524,838</b>	<b>354,924</b>	<b>370,186</b>	<b>388,933</b>
Energy sources		262,686	372,306	492,207	470,372	430,555	430,555	331,433	345,351	362,655
Water management		421	1,387	-	-	-	-	-	-	-
Waste water management		-	-	140	389	702	702	96	100	105
Waste management		3,743	850	59,650	70,323	93,580	93,580	23,395	24,735	26,173
<b>Other</b>	4	<b>-</b>	<b>-</b>	<b>4,578</b>	<b>3,997</b>	<b>3,997</b>	<b>3,997</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Functional</b>	3	<b>927,008</b>	<b>1,039,965</b>	<b>918,478</b>	<b>958,974</b>	<b>909,331</b>	<b>909,331</b>	<b>965,598</b>	<b>1,025,053</b>	<b>1,051,020</b>
<b>Surplus/(Deficit) for the year</b>		<b>(65,698)</b>	<b>(165,121)</b>	<b>(5,353)</b>	<b>111,497</b>	<b>63,709</b>	<b>63,709</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>

**LIM344 Makhado - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**[illegible]

		162,599	133,249	79,544	132,274	144,130	144,130	21,015	22,284	23,641
Vote 6 - ELECTRICITY- B		178,090	190,897	218,900	179,195	177,488	177,488	298,120	310,017	325,160
Vote 7 - ELECTRICITY- C		40,460	14,831	56	68	68	68	1,466	1,533	1,607
Vote 8 - ELECTRICITY- D		5,615	8,978	11,789	12,722	12,722	12,722	10,833	11,517	12,246
Vote 9 - CORPORATE SERVICES		43,350	56,000	67,900	72,493	72,493	72,493	52,486	55,109	58,812
Vote 10 - PLANNING AND DEVELOPMENT		15,486	403	33,900	49,093	49,093	49,093	66,443	64,866	64,832
Vote 11 - COMMUNITY AND SOCIAL SERVICES		12,304	7,809	5,569	6,510	6,510	6,510	10,012	10,621	11,273
Vote 12 - HOUSING		–	–	–	–	–	–	–	–	–
Vote 13 - OTHER		64,959	12,354	2,789	3,324	3,324	3,324	12,910	13,218	13,901
Vote 14 - SPORTS AND RECREATION		25,790	31,678	34,899	48,025	48,025	48,025	33,878	36,043	38,352
Vote 15 - BUDGET AND TREASURY		181,277	250,947	202,044	194,079	194,079	194,079	272,709	299,248	321,787
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>927,008</b>	<b>1,039,964</b>	<b>918,478</b>	<b>958,975</b>	<b>909,331</b>	<b>909,331</b>	<b>965,598</b>	<b>1,025,054</b>	<b>1,051,020</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>(65,698)</b>	<b>(165,121)</b>	<b>(5,354)</b>	<b>111,496</b>	<b>63,709</b>	<b>63,709</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>



**LIM344 Makhado - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>R thousand</b>	1										
<b><u>Revenue By Source</u></b>											
Property rates	2	53,609	53,704	66,128	61,384	70,438	70,438	70,438	83,070	86,891	91,062
Service charges - electricity revenue	2	273,348	285,494	333,647	373,218	342,879	342,879	342,879	364,210	386,863	410,926
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	8,436	8,849	10,973	9,438	10,714	10,714	11,100	11,611	12,145	12,728
Rental of facilities and equipment		368	769	835	346	253	253	253	360	378	395
Interest earned - external investments		9,729	9,339	6,061	54	6,401	6,401	6,401	6,695	7,003	7,340
Interest earned - outstanding debtors		12,089	15,960	19,777	20,345	20,674	20,674	20,674	22,690	24,902	27,329
Dividends received		-							-	-	-
Fines, penalties and forfeits		6,659	5,819	7,742	1,848	2,672	2,672	2,672	2,795	2,924	3,064
Licences and permits		17,144	8,541	7,425	13,922	7,189	7,189	7,189	7,520	7,866	8,243
Agency services		-							-		
Transfers and subsidies		426,915	443,008	426,916	361,091	412,192	412,192	412,192	439,298	470,991	467,842
Other revenue	2	47,257	36,484	26,019	109,883	31,788	31,788	31,788	33,250	34,250	36,449
Gains											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>855,554</b>	<b>867,969</b>	<b>905,523</b>	<b>951,529</b>	<b>905,200</b>	<b>905,200</b>	<b>905,586</b>	<b>971,499</b>	<b>1,034,214</b>	<b>1,065,379</b>
<b><u>Expenditure By Type</u></b>	-										
Employee related costs	2	230,313	249,835	255,157	284,371	262,015	262,015	262,015	287,567	306,258	326,166
Remuneration of councillors		23,076	25,306	26,316	28,554	28,554	28,554	28,554	30,410	32,386	34,491
Debt impairment	3	73,353	132,237	46,868	45,000	48,886	48,886	48,886	41,135	43,487	46,054
Depreciation & asset impairment	2	83,996	124,471	131,600	100,000	131,060	131,060	131,060	120,089	133,395	145,278

Finance charges			12,159	10,692	6,752	7,811	7,811	7,811	8,170	8,546	8,956
Bulk purchases	2	198,262	212,654	235,313	242,406	252,406	252,406	252,406	269,822	286,605	300,362
Other materials	8	12,724			38,935	28,029	28,029	28,029	29,319	30,668	32,140
Contracted services		194,789	189,091	138,187	68,183	64,862	64,862	64,862	85,115	87,846	88,919
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	110,494	94,211	74,345	144,773	85,857	85,857	85,857	93,971	95,861	68,653
Losses											
<b>Total Expenditure</b>		<b>927,008</b>	<b>1,039,964</b>	<b>918,478</b>	<b>958,974</b>	<b>909,480</b>	<b>909,480</b>	<b>909,480</b>	<b>965,598</b>	<b>1,025,052</b>	<b>1,051,020</b>
<b>Surplus/(Deficit)</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>(7,445)</b>	<b>(4,280)</b>	<b>(4,280)</b>	<b>(3,894)</b>	<b>5,901</b>	<b>9,161</b>	<b>14,359</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)					109,577	58,624	58,624	58,624	54,014	57,538	92,500
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6										
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>102,132</b>	<b>54,344</b>	<b>54,344</b>	<b>54,730</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>102,132</b>	<b>54,344</b>	<b>54,344</b>	<b>54,730</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>102,132</b>	<b>54,344</b>	<b>54,344</b>	<b>54,730</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(71,453)</b>	<b>(171,995)</b>	<b>(12,955)</b>	<b>102,132</b>	<b>54,344</b>	<b>54,344</b>	<b>54,730</b>	<b>59,915</b>	<b>66,699</b>	<b>106,859</b>

**LIM344 Makhado - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**[illegible]

Vote 5 - ELECTRICITY- A	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRICITY- B	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICITY- C	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - ELECTRICITY- D	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - PLANNING AND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - COMMUNITY AND SOCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - HOUSING	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - OTHER	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - SPORTS AND RECREATION	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>	<b>122,678</b>	<b>143,760</b>	<b>163,488</b>	<b>203,378</b>	<b>179,015</b>	<b>179,015</b>	<b>179,015</b>	<b>247,179</b>	<b>208,782</b>	<b>270,899</b>	
<b><u>Capital Expenditure - Functional</u></b>											
<b><i>Governance and administration</i></b>	<b>122,678</b>	<b>143,760</b>	<b>163,488</b>	<b>100,548</b>	<b>106,970</b>	<b>106,970</b>	<b>106,970</b>	<b>184,929</b>	<b>159,122</b>	<b>198,124</b>	
Executive and council	122,678	143,760	163,488	45,504	39,924	39,924	39,924	153,452	156,025	182,724	
Finance and administration	-	-	-	55,044	67,046	67,046	67,046	31,477	3,097	15,400	
Internal audit											
<b><i>Community and public safety</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,300</b>	<b>4,964</b>	<b>4,964</b>	<b>4,964</b>	<b>2,340</b>	<b>2,240</b>	<b>1,045</b>	
Community and social services				2,500	1,464	1,464	1,464	240	640	345	
Sport and recreation		-	-	5,800	3,500	3,500	3,500	2,100	1,600	700	
Public safety											
Housing	-										
Health											
<b><i>Economic and environmental services</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,310</b>	<b>1,000</b>	<b>8,900</b>	
Planning and development		-	-	18,250	-	-	-				

Road transport									7,310	1,000	8,900
Environmental protection											
<b>Trading services</b>		-	-	-	76,280	67,081	67,081	67,081	52,600	46,420	62,830
Energy sources			-	-	76,280	67,081	67,081	67,081	48,030	44,270	42,930
Water management									-	-	-
Waste water management									-	-	-
Waste management									4,570	2,150	19,900
<b>Other</b>											
<b>Total Capital Expenditure - Functional</b>	3	122,678	143,760	163,488	203,378	179,015	179,015	179,015	247,179	208,782	270,899
<b>Funded by:</b>											
National Government		85,965	96,570	104,645	68,625	58,625	58,625	58,625	54,014	57,538	92,500
Provincial Government											
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)											
<b>Transfers recognised - capital</b>	4	85,965	96,570	104,645	68,625	58,625	58,625	58,625	54,014	57,538	92,500
<b>Borrowing</b>	6										
<b>Internally generated funds</b>		36,713	47,190	58,843	134,753	120,390	120,390	120,390	193,165	151,244	178,399
<b>Total Capital Funding</b>	7	122,678	143,760	163,488	203,378	179,015	179,015	179,015	247,179	208,782	270,899



								-			
Consumer deposits									10,458	11,456	10,458
Trade and other payables	4	183,998	60,891	69,089	20,000	73,090	73,909	73,909	136,212	97,906	92,989
Provisions									26,894	27,100	26,894
<b>Total current liabilities</b>		<b>185,675</b>	<b>60,891</b>	<b>69,089</b>	<b>20,000</b>	<b>73,090</b>	<b>73,909</b>	<b>73,909</b>	<b>173,564</b>	<b>136,462</b>	<b>130,341</b>
<b>Non current liabilities</b>											
Borrowing		2,583	697	183	-	-	-	-	-	-	-
Provisions		116,012	107,785	106,273	64	106,273	106,273	106,273	121,789	118,282	121,789
<b>Total non current liabilities</b>		<b>118,594</b>	<b>108,481</b>	<b>106,456</b>	<b>64</b>	<b>106,273</b>	<b>106,273</b>	<b>106,273</b>	<b>121,789</b>	<b>118,282</b>	<b>121,789</b>
<b>TOTAL LIABILITIES</b>		<b>304,269</b>	<b>169,372</b>	<b>175,545</b>	<b>20,064</b>	<b>179,363</b>	<b>180,182</b>	<b>180,182</b>	<b>295,353</b>	<b>254,744</b>	<b>252,130</b>
<b>NET ASSETS</b>	5	<b>1,698,330</b>	<b>1,704,817</b>	<b>1,716,126</b>	<b>2,839,690</b>	<b>1,773,728</b>	<b>1,772,909</b>	<b>1,772,909</b>	<b>2,672,704</b>	<b>2,400,860</b>	<b>2,772,330</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		1,698,330	1,704,817	1,716,126	2,839,690	1,773,728	1,772,909	1,772,909	2,672,704	2,400,860	2,772,330
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>1,698,330</b>	<b>1,704,817</b>	<b>1,716,126</b>	<b>2,839,690</b>	<b>1,773,728</b>	<b>1,772,909</b>	<b>1,772,909</b>	<b>2,672,704</b>	<b>2,400,860</b>	<b>2,772,330</b>

**LIM344 Makhado Supporting Table SA10 Funding measurement**

Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Funding measures</b>	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	103,330	19,027	91,835	94,857	102,040	115,040	138,348	156,235	196,031	223,178
Cash + investments at the yr end less applications - R'000	18(1)b	2	15,241	18,834	97,072	254,401	148,609	151,465	142,850	118,696	184,531	216,917
Cash year end/monthly employee/supplier payments	18(1)b	3	1.6	0.3	1.5	1.5	1.7	1.9	2.3	2.4	2.9	3.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(71,453)	(171,995)	(12,955)	102,132	54,344	54,344	54,730	59,915	66,699	106,859
Service charge rev % change - macro CPIX target exclusive	18(1)a, (2)	5	N.A.	(2.2%)	12.0%	2.1%	(10.5%)	(6.0%)	(5.9%)	2.2%	(0.1%)	(0.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a, (2)	6	100.4%	80.3%	92.3%	78.0%	87.0%	89.6%	83.4%	93.4%	93.5%	92.8%
Debt impairment expense as a % of total billable revenue	18(1)a, (2)	7	21.9%	38.0%	11.4%	10.1%	11.5%	11.5%	11.5%	9.0%	8.9%	8.9%
Capital payments % of capital expenditure	18(1)c, 19	8	156.8%	83.3%	99.1%	100.0%	100.0%	100.0%	66.2%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(10.2%)	(10.3%)	(6.9%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(20.9%)	6.5%	127.3%	(24.9%)	0.0%	0.0%	(1.4%)	(5.0%)	6.8%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(v i)	13	0.0%	0.0%	0.0%	0.8%	2.4%	2.4%	2.5%	1.5%	1.9%	1.7%
Asset renewal % of capital budget	20(1)(v i)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.8%	13.2%	4.0%

**References**

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt)



provision

8. Indicative of planned capital expenditure level &

cash payment timing

9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing

10. Substantiation of National/Province allocations

included in budget

11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection

14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Assets revenue protection													
Supporting indicators													
% incr <i>total service charges (incl prop rates)</i>	18(1)a	-	-	-	3.8%	18.0%	8.1%	(4.5%)	0.0%	0.1%	8.2%	5.9%	5.9%
% incr Property Tax	18(1)a				0.2%	23.1%	(7.2%)	14.7%	0.0%	0.0%	17.9%	4.6%	4.8%
% incr Service charges - electricity revenue	18(1)a				4.4%	16.9%	11.9%	(8.1%)	0.0%	0.0%	6.2%	6.2%	6.2%
% incr Service charges - water revenue	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - sanitation revenue	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - refuse revenue	18(1)a				4.9%	24.0%	(14.0%)	13.5%	0.0%	3.6%	8.4%	4.6%	4.8%
% incr in	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		335,393	348,047	410,748	444,040	424,031	424,031	424,417	458,891	485,900	514,717	
Service charges			335,393	348,047	410,748	444,040	424,031	424,031	424,417	458,891	485,900	514,717	
Property rates			53,609	53,704	66,128	61,384	70,438	70,438	70,438	83,070	86,891	91,062	
Service charges - electricity revenue			273,348	285,494	333,647	373,218	342,879	342,879	342,879	364,210	386,863	410,926	
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-	
Service charges - refuse removal			8,436	8,849	10,973	9,438	10,714	10,714	11,100	11,611	12,145	12,728	
Service charges - other			-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment			368	769	835	346	253	253	253	360	378	395	
Capital expenditure excluding capital grant funding			36,713	47,190	58,843	134,753	120,390	120,390	120,390	193,165	151,244	178,399	
Cash receipts from ratepayers	18(1)a		420,513	333,776	436,142	460,724	423,243	436,243	406,093	490,678	519,877	547,881	
Ratepayer & Other revenue	18(1)a		418,910	415,622	472,546	590,384	486,607	486,607	486,993	525,506	556,220	590,197	
Change in consumer debtors (current and non-current)			(24,493)	(19,963)	4,948	102,535	57,043	57,043	57,043	(47,401)	(6,841)	8,770	

[illegible]

% Increase in Total Operating Revenue			1.5%	4.3%	5.1%	(4.9%)	0.0%	0.0%	7.3%	6.5%	3.0%
% Increase in Property Rates Revenue			0.2%	23.1%	(7.2%)	14.7%	0.0%	0.0%	17.9%	4.6%	4.8%
% Increase in Electricity Revenue			4.4%	16.9%	11.9%	(8.1%)	0.0%	0.0%	6.2%	6.2%	6.2%
% Increase in Property Rates & Services Charges			3.8%	18.0%	8.1%	(4.5%)	0.0%	0.1%	8.2%	5.9%	5.9%
<b>Expenditure</b>											
% Increase in Total Operating Expenditure			12.2%	(11.7%)	4.4%	(5.2%)	0.0%	0.0%	6.2%	6.2%	2.5%
% Increase in Employee Costs			8.5%	2.1%	11.4%	(7.9%)	0.0%	0.0%	9.8%	6.5%	6.5%
% Increase in Electricity Bulk Purchases			7.3%	10.7%	3.0%	4.1%	0.0%	0.0%	6.9%	6.2%	4.8%
Average Cost Per Budgeted Employee Position (Remuneration)				189285.628 3	543730.114 6				549841.12 44		
Average Cost Per Councillor (Remuneration)				350882.186 7	380720				405463.01 2		
R&M % of PPE	0.0%	0.0%	0.0%	0.8%	2.4%	2.4%	2.4%	2.4%	1.5%	1.9%	1.7%
Asset Renewal and R&M as a % of PPE	0.0%	0.0%	0.0%	1.0%	2.0%	2.0%	2.0%	2.0%	5.0%	5.0%	4.0%
Debt Impairment % of Total Billable Revenue	21.9%	38.0%	11.4%	10.1%	11.5%	11.5%	11.5%	11.5%	9.0%	8.9%	8.9%
<b>Capital Revenue</b>											
Internally Funded & Other (R'000)		36,713	47,190	58,843	134,753	120,390	120,390	120,390	193,165	151,244	178,399
Borrowing (R'000)		–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)		85,965	96,570	104,645	68,625	58,625	58,625	58,625	54,014	57,538	92,500
Internally Generated funds % of Non Grant Funding	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding	70.1%	67.2%	64.0%	33.7%	32.7%	32.7%	32.7%	32.7%	21.9%	27.6%	34.1%
<b>Capital Expenditure</b>											
Total Capital Programme (R'000)		122,678	143,760	163,488	203,378	179,015	179,015	179,015	247,179	208,782	270,899
Asset Renewal		–	–	–	–	–	–	–	82,019	76,414	60,747
Asset Renewal % of Total Capital Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.2%	36.6%	22.4%
<b>Cash</b>											
Cash Receipts % of Rate Payer & Other		100.4%	80.3%	92.3%	78.0%	87.0%	89.6%	83.4%	93.4%	93.5%	92.8%
Cash Coverage Ratio		0	0	0	0	0	0	0	0	0	0
<b>Borrowing</b>											
Credit Rating (2009/10)									0		
Capital Charges to Operating	0.0%	1.2%	1.2%	0.7%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.9%
Borrowing Receipts % of Capital Expenditure	(10.2%)	(10.3%)	(6.9%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>											
Surplus/(Deficit)		15,241	18,834	97,072	254,401	148,609	151,465	142,850	118,696	184,531	216,917
<b>Free Services</b>											
Free Basic Services as a % of Equitable Share		0.5%	1.0%	1.0%	1.2%	1.2%	1.2%		1.2%	1.1%	1.1%

